

CRR ASSESSMENT

BOWBELL NO.3 PLC



PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

14th November 2023

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This is a CRR Assessment.

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It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page.

14th November 2023

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PRIME COLLATERALISED SECURITIES (PCS) CRR Assessment

Individual(s) undertaking the assessment	Robert Leach
Date of Verification	14 November 2023
The transaction to be verified (the "Transaction")	BOWBELL NO.3 PLC
Issuer	BOWBELL NO.3 PLC
Originator	Bank of Ireland (UK)
Lead Manager(s)	Banco Santander, S.A.
Transaction Legal Counsel	Herbert Smith Freehills LLP
Rating Agencies	Fitch, Moody's, DBRS
Stock Exchange	London Stock Exchange
Closing Date	14 November 2023

PCS confirms that all checklist points have been verified as detailed in the associated comment box in the checklist below.

Within the checklist, the relevant legislative text is set out in light blue introductory boxes with specific criteria for our verification listed underneath.

Legislative Text

Article 243 ⁽¹⁾

2. Positions in a securitisation, other than an ABCP programme or ABCP transaction, that qualify as positions in an STS securitisation, shall be eligible for the treatment set out in Articles 260, 262 and 264 where the following requirements are met:

1a	<u>CRR Criteria</u> (a) at the time of inclusion in the securitisation, the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2 % of the exposure values of the aggregate outstanding exposure values of the pool of underlying exposures. For the purposes of this calculation, loans or leases to a group of connected clients shall be considered as exposures to a single obligor.	<u>Meets Criteria?</u> YES
	<u>PCS Comments</u> See Prospectus, <i>THE MORTGAGE PORTFOLIO</i> . Characteristics of the Mortgage Loans. The aggregate Principal Balance of all Mortgage Loans in the Mortgage Portfolio made to a single Borrower does not exceed 2% of the aggregate Principal Balance of all Mortgage Loans in the Provisional Mortgage Portfolio as of the Initial Mortgage Portfolio Cut-Off Date. <i>The Prospectus indicates that the aggregate exposure value of all exposures to a single obligor in the pool does not exceed 2%. The transaction is not structured with a revolving period.</i>	
1b	<u>CRR Criteria</u> In the case of securitised residual leasing values, the first subparagraph of this point shall not apply where those values are not exposed to refinancing or resell risk due to a legally enforceable commitment to repurchase or refinance the exposure at a pre-determined amount by a third party eligible under Article 201(1);	<u>Meets Criteria?</u> YES
	<u>PCS Comments</u> <i>Not applicable.</i>	

¹ REGULATION (EU) 2017/2401 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms.

CRR Criteria

- (b) at the time of their inclusion in the securitisation, the underlying exposures meet the conditions for being assigned, under the Standardised Approach and taking into account any eligible credit risk mitigation, a risk weight equal to or smaller than:
- (i) 40 % on an exposure value-weighted average basis for the portfolio where the exposures are loans secured by residential mortgages or fully guaranteed residential loans, as referred to in point (e) of Article 129(1);
 - (ii) 50 % on an individual exposure basis where the exposure is a loan secured by a commercial mortgage;
 - (iii) 75 % on an individual exposure basis where the exposure is a retail exposure ⁽²⁾;
- for any other exposures, 100 % on an individual exposure basis;

Meets Criteria?
YES

PCS Comments

See Prospectus, *TITLE TO THE MORTGAGE PORTFOLIO*.

Warranties and Repurchase

The representations and warranties referred to will include statements to the following effect (and, where reference is made to the "origination" of any Mortgage Loans, such reference shall include Mortgage Loans originated by the Relevant Originator). The warranties will be given by the Seller on the Closing Date by reference to the facts and circumstances subsisting at the Closing Date except where the warranty is expressed to be by reference to the Initial Mortgage Portfolio Cut-Off Date, in which case it shall be given by reference to the facts and circumstances subsisting as at the Initial Mortgage Portfolio Cut-Off Date:

(yy) Risk Weight

The Mortgage Loans to be purchased by the Issuer on the Closing Date meet, on the Closing Date, the conditions for being assigned a risk weight equal to or smaller than 40 per cent. on an exposure value-weighted average basis for the portfolio of such Mortgage Loans as set out and within the meaning of Article 243(2)(b) UK CRR.

² See article 123, "Retail exposures" of the Regulation (EU) No 575/2013; for Consumer loans see the amendments to article 123 in (59) REGULATION (EU) 2019/876 and REGULATION (EU) 2020/873, article 2 (1) (a). In particular, pursuant to the amendments to Article 123, under Regulation (EU) 2019/876. See article 501 on "Adjustment of risk-weighted non-defaulted SME exposures for "SME Loans" of the Regulation (EU) No 575/2013, as amended in Regulation (EU) 2019/876 and Regulation 2020/873 in (19) and Article 2.1(b).

3	CRR Criteria (c) where points (b)(i) and (b)(ii) apply, the loans secured by lower ranking security rights on a given asset shall only be included in the securitisation where all loans secured by prior ranking security rights on that asset are also included in the securitisation;	Meets Criteria? YES
	PCS Comments See Prospectus, <i>TITLE TO THE MORTGAGE PORTFOLIO</i> . Warranties and Repurchase (f) First ranking mortgage Subject to completion of any registration or recording which may be pending at the Land Registry, each Mortgage Loan is secured by a mortgage which constitutes a first ranking charge by way of legal mortgage over the relevant property, and there is nothing to prevent such registration or recording being effected with absolute title or good leasehold title in due course. For the avoidance of doubt, the fact of the existence of a second ranking charge over the relevant property does not render this warranty untrue.	
4	CRR Criteria (d) where point (b)(i) of this paragraph applies, no loan in the pool of underlying exposures shall have a loan-to-value ratio higher than 100 %, at the time of inclusion in the securitisation, measured in accordance with point (d)(i) of Article 129(1) and Article 229(1).	Meets Criteria? YES
	PCS Comments See Prospectus, <i>TITLE TO THE MORTGAGE PORTFOLIO</i> . Warranties and Repurchase The representations and warranties referred to will include statements to the following effect (and, where reference is made to the "origination" of any Mortgage Loans, such reference shall include Mortgage Loans originated by the Relevant Originator). The warranties will be given by the Seller on the Closing Date by reference to the facts and circumstances subsisting at the Closing Date except where the warranty is expressed to be by reference to the Initial Mortgage Portfolio Cut-Off Date, in which case it shall be given by reference to the facts and circumstances subsisting as at the Initial Mortgage Portfolio Cut-Off Date: (z) Indexed LTV No Mortgage Loan has an indexed LTV higher than 95% as at the Initial Mortgage Portfolio Cut-Off Date. See Prospectus, <i>STATISTICAL INFORMATION ON THE PROVISIONAL MORTGAGE PORTFOLIO</i> . Characteristics of the Provisional Mortgage Portfolio 5. Indexed LTV Ratios at date of most recent advance Maximum. 94.31%	

The information provided indicates that no loans in the pool have an indexed LTV greater than 100% at the time of inclusion in the securitisation. The transaction is not structured with a revolving period.